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M3a 1-2  
1996 Sep

# DEPARTMENT OF LIVESTOCK



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## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

**PUBLISHED:** September 5, 1996  
**EFFECTIVE:** October 1, 1996  
12:01 a.m.

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HELLO Due to the latest data available as of September 5, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be 291.20. (Docket #69-84, first price announcement effective 7:01:54)

#### MINIMUM PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

**EFFECTIVE OCTOBER 1, 1996**, the minimum price to be paid milk producers, under ARM 32.24.301, will be \$17.38 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of seventeen cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be one dollar and seventy cents (\$1.70).

#### MINIMUM PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

##### =====

CLASS II PRICE FOR MILK TESTING 3.5%

\$15.51 /CWT

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Average spray process dry milk solids

price per pound = \$1.32250  
Multiplied by 8.2 x 8.2

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\$10.84450 \$10.84450

PLUS +

Average Grade 'A' 92 score butter

price per pound = \$1.45500  
Multiplied by 4.2 x 4.2

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\$6.11100 + \$6.11100

LESS 8.5% ( \$16.95550 X .085)

-----  
\$16.95550

- \$1.44122

-----  
\$15.51428

Rounded to the nearest whole cent = \$15.51/hundredweight.

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CLASS II BUTTERFAT PRICE PER POUND			\$1.60 /LB
=====			
Butterfat differential	(	\$1.45500 X .111 )	= \$0.16151
Rounded to the nearest half cent	=		\$0.160
=====			
CLASS II VALUE OF ONE POUND OF SKIM			\$0.10269 /LB
=====			
Butterfat value per pound	=	\$1.60	
for milk at 3.5% test:			
=====			
Hundredweight price of milk testing 3.5%	=		\$15.51
LESS 3.5 pounds of butterfat at	\$1.60 per pound	-	\$5.600
=====			
Value of 96.5 pounds of skim	=		\$9.910
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Value of one pound of skim	(	9.910 ÷ 96.5 pounds)	= \$0.10269 /LB

## =====

REF: ARM 32.24.301(5)

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CLASS III BUTTERFAT PRICE PER POUND			\$1.31 /LB
=====			
Avg. Grade 'A' 92 score butter price/LB		\$1.45500	
LESS 10%	-	\$0.14550	
=====			
		\$1.30950	
=====			
Rounded to the nearest whole cent	=	\$1.31 per pound.	
=====			
CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED			\$9.00 /CWT
=====			
Avg. spray process dry milk solid price/LB		\$1.32250	
Multiplied by 8.2	x	8.2	
=====			
		\$10.84450	
LESS 17%	-	\$1.84357	
=====			
		\$9.00093	
=====			
Rounded to the nearest whole cent	=	\$9.00 per hundredweight.	

=====			
CLASS III PRICE PER CWT FOR MILK TESTING 3.5%			\$13.27 /CWT
=====			
3.5 pounds of butterfat	x	\$1.31 per pound =	\$4.585
96.5 pounds of skim	x	\$0.09001 per pound =	\$8.686
=====			
			\$13.271 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz  
 Marlys M. Koontz, Admin. Support  
 Montana Milk Control Bureau

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BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

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CLASS I SKIM PRICE BASED ON		CLASS II SKIM PRICE BASED ON		CLASS III SKIM PRICE BASED ON	
\$17.38 FOR 3.5% MILK		\$15.51 FOR 3.5% MILK		\$13.27 FOR 3.5% MILK	
96.5 LBS	= \$11.430	96.5 LBS	= \$9.910	96.5 LBS	= \$8.686
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.11723	2.50	\$0.10164	2.50	\$0.08909
2.55	\$0.11729	2.55	\$0.10169	2.55	\$0.08913
2.60	\$0.11735	2.60	\$0.10175	2.60	\$0.08918
2.65	\$0.11741	2.65	\$0.10180	2.65	\$0.08922
2.70	\$0.11747	2.70	\$0.10185	2.70	\$0.08927
2.75	\$0.11753	2.75	\$0.10190	2.75	\$0.08932
2.80	\$0.11759	2.80	\$0.10195	2.80	\$0.08936
2.85	\$0.11765	2.85	\$0.10201	2.85	\$0.08941
2.90	\$0.11771	2.90	\$0.10206	2.90	\$0.08945
2.95	\$0.11777	2.95	\$0.10211	2.95	\$0.08950
3.00	\$0.11784	3.00	\$0.10216	3.00	\$0.08955
3.05	\$0.11790	3.05	\$0.10222	3.05	\$0.08959
3.10	\$0.11796	3.10	\$0.10227	3.10	\$0.08964
3.15	\$0.11802	3.15	\$0.10232	3.15	\$0.08968
3.20	\$0.11808	3.20	\$0.10238	3.20	\$0.08973
3.25	\$0.11814	3.25	\$0.10243	3.25	\$0.08978
3.30	\$0.11820	3.30	\$0.10248	3.30	\$0.08982
3.35	\$0.11826	3.35	\$0.10253	3.35	\$0.08987
3.40	\$0.11832	3.40	\$0.10259	3.40	\$0.08992
3.45	\$0.11838	3.45	\$0.10264	3.45	\$0.08996
3.50	\$0.11845	3.50	\$0.10269	3.50	\$0.09001
3.55	\$0.11851	3.55	\$0.10275	3.55	\$0.09006
3.60	\$0.11857	3.60	\$0.10280	3.60	\$0.09010
3.65	\$0.11863	3.65	\$0.10285	3.65	\$0.09015
3.70	\$0.11869	3.70	\$0.10291	3.70	\$0.09020
3.75	\$0.11875	3.75	\$0.10296	3.75	\$0.09024
3.80	\$0.11881	3.80	\$0.10301	3.80	\$0.09029
3.85	\$0.11888	3.85	\$0.10307	3.85	\$0.09034
3.90	\$0.11894	3.90	\$0.10312	3.90	\$0.09038
3.95	\$0.11900	3.95	\$0.10318	3.95	\$0.09043
4.00	\$0.11906	4.00	\$0.10323	4.00	\$0.09048
4.05	\$0.11912	4.05	\$0.10328	4.05	\$0.09053
4.10	\$0.11919	4.10	\$0.10334	4.10	\$0.09057
4.15	\$0.11925	4.15	\$0.10339	4.15	\$0.09062
4.20	\$0.11931	4.20	\$0.10344	4.20	\$0.09067
4.25	\$0.11937	4.25	\$0.10350	4.25	\$0.09072
4.30	\$0.11944	4.30	\$0.10355	4.30	\$0.09076
4.35	\$0.11950	4.35	\$0.10361	4.35	\$0.09081
4.40	\$0.11956	4.40	\$0.10366	4.40	\$0.09086
4.45	\$0.11962	4.45	\$0.10372	4.45	\$0.09090
4.50	\$0.11969	4.50	\$0.10377	4.50	\$0.09095

